

Message Text

UNCLASSIFIED

PAGE 01 OECD P 03344 01 OF 03 071449Z

50

ACTION EUR-12

INFO OCT-01 EA-10 IO-10 ISO-00 EB-07 USIE-00 PA-02 PRS-01

AEC-07 AID-05 CEA-01 CIAE-00 CIEP-02 COME-00 DODE-00

FEAE-00 FPC-01 H-02 INR-07 INT-05 L-02 NSAE-00 NSC-05

OMB-01 PM-03 RSC-01 SAM-01 OES-05 SP-02 SS-15 STR-04

TRSE-00 FRB-01 AF-06 ARA-10 NEA-09 EURE-00 OPIC-06

LAB-04 SIL-01 AECE-00 /149 W
----- 068325

P R 071429Z FEB 75

FM USMISSION OECD PARIS

TO SECSTATE WASH DC PRIORITY 5323

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 OECD P 03344 01 OF 03 071449Z

USMISSION EC BRUSSELS

USMISSION NATO
USMISSION GENEVA
USMISSION USUN

UNCLAS SECTION 01 OF 03 OECD PARIS 03344

PASS USIA

E.O. 11652: N/A

TAGS: ENRG, OECD

SUBJECT: STATEMENT BY ASSISTANT SECRETARY ENDERS AT THE
ANGLO-AMERICAN PRESS ASSOCIATION IN PARIS 6 FEBRUARY

1. WHAT I WOULD LIKE TO DO FIRST OFF IS TO SAY A FEW
WORDS ABOUT THE FUNDAMENTAL ASPECTS OF THE ENERGY
PROBLEM AND THE WAY WE SEE TO OVERCOME IT AND THEN GO ON,
OF COURSE, TO YOUR QUESTIONS.

2. THE FIRST THING TO SAY AND TO SAY VERY CLEARLY IS
THAT THE OBJECT OF AN INTERNATIONAL ENERGY POLICY HAS TO
BE TO REDUCE THE UNACCEPTABLE LEVEL OF DEPENDENCY AND
THE UNSUSTAINABLY HIGH LEVEL OF OIL PRICES THAT NOW
PREVAIL. THE EMBARGO THAT WE WENT THROUGH 16 MONTHS
AGO COST THE INDUSTRIALIZED WORLD UPWARDS OF A MILLION
JOBS. IT ADDED, BY THE SORT OF INPUT-OUTPUT CALCULATION
THAT PERHAPS TRANSLATES BEST ITS EFFECT, SOME FIVE
PERCENTAGE POINTS TO INFLATION IN INDUSTRIALIZED
COUNTRIES. IT SET THE STAGE FOR A WORLDWIDE RECESSION
AND IT LED TO A FINANCIAL HEMORRHAGE OF THE INDUSTRIAL
COUNTRIES TO THE PRODUCING COUNTRIES WHICH CONTINUES AND
WHICH WE EXPECT TO CONTINUE FOR AT LEAST A NUMBER OF
YEARS AND PERHAPS MORE OR LESS INDEFINITELY UNLESS WE
MAKE NEW POLICY.

3. I THINK THE MAIN POINT ON THIS SCORE HERE IS THAT
THERE IS NO ASSURANCE THAT THE INDUSTRIALIZED COUNTRIES
CAN HAVE THAT THEY CAN SUSTAIN GROWTH, THAT THEY CAN
SUSTAIN PROSPERITY AND JOBS AS LONG AS AN INPUT AS ESSENTIAL
TO THEIR SYSTEMS AS ENERGY IS CONTROLLED BOTH AS TO
SUPPLY AND TO ITS PRICE BY COUNTRIES WHICH DO NOT
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 OECD P 03344 01 OF 03 071449Z

NECESSARILY HAVE AN OVERRIDING OR COMPELLING INTEREST IN
THE MAINTENANCE OF OUR PROSPERITY.

4. NOW ON THE SHORT TERM THERE ARE A NUMBER OF THINGS
THAT CAN BE DONE TO DIMINISH OUR VULNERABILITY, AND THEY
ARE FAMILIAR TO YOU. ONE IS TO TAKE MEASURES OF
COLLECTIVE DEFENSE AGAINST A NEW OIL EMBARGO. THIS WAS
THE FIRST TASK OF THE INTERNATIONAL ENERGY AGENCY.

IT WAS COMPLETED SUCCESSFULLY IN RECORD TIME. NOW A
TOTAL OF 17 NATIONS HAVE ADHERED TO THE IEA AS FULL
MEMBERS, NEW ZEALAND COMING IN YESTERDAY, AND AN 18TH
IN NORWAY WHICH BECOMES A VERY CLOSE ASSOCIATE.

5. THE SECOND IS TO FORESEE A POSSIBLE OTHER DANGER,
THAT IS, OF DISRUPTIVE FLOWS OF THE ENORMOUS ASSETS THAT
HAVE BEEN ACCUMULATED IN OPEC HANDS FROM ONE COUNTRY TO
ANOTHER AND TO PROVIDE A MECHANISM BY WHICH SUDDEN
SHIFTS IN THOSE FUNDS CAN BE OFFSET. THAT IS THE
PRIMARY PURPOSE OF THE 25 BILLION DOLLAR SOLIDARITY
FUND WHICH WAS PROPOSED BY SECRETARY KISSINGER IN
NOVEMBER AND WHICH NOW HAS BEEN DECIDED IN PRINCIPLE BY
THE MAIN INDUSTRIALIZED COUNTRIES, INCLUDING FRANCE.

6. BUT AS YOU LOOK AHEAD THE ONLY FUNDAMENTAL SOLUTION
FOR DEPENDENCY AND FOR CURRENT EXCESSIVE PRICES LIES IN
INFLUENCING MARKET CONDITIONS AND THERE ARE TWO WAYS
WE CAN DO THAT: THROUGH CONSERVATION AND THROUGH THE
DEVELOPMENT OF ALTERNATIVE SUPPLIES WITHIN THE INDUSTRIAL
WORLD. IN CONSERVATION FRANCE HAS LED THE WAY. WE
EXPECT THAT IN THE COURSE OF THIS MEETING OF THE

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 OECD P 03344 02 OF 03 071458Z

50

ACTION EUR-12

INFO OCT-01 EA-10 IO-10 ISO-00 EB-07 USIE-00 PA-02 PRS-01

AEC-07 AID-05 CEA-01 CIAE-00 CIEP-02 COME-00 DODE-00

FEAE-00 FPC-01 H-02 INR-07 INT-05 L-02 NSAE-00 NSC-05

OMB-01 PM-03 RSC-01 SAM-01 OES-05 SP-02 SS-15 STR-04

TRSE-00 FRB-01 AF-06 ARA-10 NEA-09 EURE-00 OPIC-06

LAB-04 SIL-01 AECE-00 /149 W

----- 068475

P R 071429Z FEB 75

FM USMISSION OECD PARIS

TO SECSTATE WASH DC PRIORITY 5324
INFO AMEMBASSY ANKARA
AMEMBASSY ATHENS
AMEMBASSY BERN
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY CANBERRA
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY HELSINKI
AMEMBASSY LISBON
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY MADRID
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY REYKJAVIK
AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY TOKYO
AMEMBASSY VIENNA
AMEMBASSY WELLINGTON
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 OECD P 03344 02 OF 03 071458Z

USMISSION EC BRUSSELS
USMISSION NATO
USMISSION GENEVA
USMISSION USUN

UNCLAS SECTION 02 OF 03 OECD PARIS 03344

INTERNATIONAL ENERGY AGENCY THERE WILL BE AGREEMENT ON
A COORDINATED PROGRAM OF CONSERVATION IN WHICH ALL
MEMBERS OF THAT AGENCY WILL COMMIT THEMSELVES TO
CONSERVATION GOALS. FOR THE UNITED STATES, PRESIDENT
FORD HAS SET THE GOAL OF CONSERVING 50 MILLION TONS OF
OIL ANNUALLY BY THE END OF THE YEAR AND HE HAS INDICATED
THAT IF THE MEASURES HE HAS PROPOSED TO CONGRESS ARE FOR
ANY REASON NOT IMPLEMENTED HE WILL USE HIS ADMINISTRA-
TIVE POWERS TO ACHIEVE THE GOAL.

7. CLEARLY BRINGING CONSUMPTION UNDER CONTROL IS
ESSENTIAL TO THE LONG-TERM SOLUTION OF THE PROBLEM, FOR
IF CONSUMPTION CONTINUES TO GROW AT THE 4 TO 5 RATE
THAT IT HAS FOR THE PAST GENERATION, THERE IS NO WAY
IN WHICH WE CAN DIMINISH OUR DEPENDENCE ON IMPORTED OIL

AND THE MARKET POWER OF THE OPEC COUNTRIES; OUR OWN VULNERABILITY TO DISRUPTION WILL ONLY GROW. IT'S ALSO CLEAR THAT CONSERVATION CAN'T DO THE JOB ALONE, BECAUSE BEYOND A CERTAIN MARGIN AS YOU CUT CONSUMPTION YOU CUT OUTPUT AND JOBS AND THE ADJUSTMENT TO LOWER LEVELS OF GROWTH OF CONSUMPTION OF OIL IN PARTICULAR CAN BE MADE ONLY WITH A LAG. SO IT IS ONLY WITH A MASSIVE DEVELOPMENT OF NEW ENERGY SOURCES INSIDE THE INDUSTRIALIZED WORLD THAT WE CAN COMPLETE THE WORK STARTED BY CONSERVATION AND REGAIN A BETTER BALANCE IN THE MARKET.

8. NOW THE INDUSTRIALIZED COUNTRIES AS A GROUP HAVE REALLY GREAT UNEXPLOITED ENERGY RESOURCES BUT THEY ARE ALL RELATIVELY MORE EXPENSIVE THAN MIDDLE EAST OIL WHICH AS YOU KNOW COSTS IN THE GULF ONLY ABOUT 25 CENTS A BARREL. CONVENTIONAL NUCLEAR POWER IS AVAILABLE IN UNCLASSIFIED

UNCLASSIFIED

PAGE 03 OECD P 03344 02 OF 03 071458Z

EVERY COUNTRY AND AT THE PRESENT TIME IT CAN BE PRICED ROUGHLY IN THE \$5 TO \$7 RANGE IN MOST COUNTRIES, TALKING IN TERMS OF EQUIVALENT TO A BARREL OF OIL. NORTH SEA OIL, ALASKAN OIL, COAL IN MANY COUNTRIES AND PLACES CAN BE HAD IN SOME WAY OR OTHER IN THE SAME PRICE RANGE. WHEN YOU GO TO TAR SANDS, AS IN CANADA, OIL SHALE IN THE UNITED STATES, COAL GASIFICATION IN GERMANY, ALL OF THIS COMES IN AT SOMEWHAT HIGHER PRICES, \$10 AND ABOVE GENERALLY, AND OF COURSE THE EXOTICS, SOLAR ENERGY, BREEDER REACTORS ARE ON A COST BASIS THAT IS STILL IMPOSSIBLE TO CALCULATE ACCURATELY. NOW THESE RESOURCES, IT IS OBVIOUS, ARE DISTRIBUTED UNEQUALLY AMONG THE CONSUMING COUNTRIES. YET ALL CONSUMERS HAVE A FUNDAMENTAL INTEREST IN THE RATE AT WHICH THEY ARE EXPLOITED. THOSE COUNTRIES THAT HAVE THE LARGEST ENERGY OPPORTUNITY CAN BECOME MORE SECURE BY EXPLOITING THEM, DIMINISHING OR ELIMINATING THEIR DEPENDENCE, BUT THEY DO SO AT THE COST OF DIVERTING VERY LARGE RESOURCES FROM OTHER ECONOMIC USES. THOSE COUNTRIES THAT HAVE RELATIVELY FEW ENERGY OPPORTUNITIES CAN BENEFIT BY EACH BARREL OF OIL WHICH IS PUSHED OUT OF OTHER CONSUMER COUNTRIES BY THE DEVELOPMENT OF ALTERNATIVE SOURCES BECAUSE EACH BARREL CHANGES THE MARKET BALANCE FOR THE CONSUMERS AS A WHOLE AND BUILDS TOWARD A SITUATION IN WHICH THE PRICE CAN MOVE DOWNWARD. THUS CONSUMERS WITH LIMITED ENERGY OPPORTUNITIES WANT TO BE SURE THAT THOSE WITH VERY LARGE ENERGY OPPORTUNITIES EXPLOIT THEM FULLY. WHAT THIS MEANS IS THAT WE NEED A CONCERTED POLICY ON THE RATE ON WHICH THESE ALTERNATIVE SOURCES ARE TO BE DEVELOPED WITHIN THE CONSUMING WORLD. AND THIS IS THE FIRST MEANING OF SECRETARY KISSINGER'S

PROPOSALS ALTERNATIVELY FOR A COMMON TARIFF AROUND THE IEA COUNTRIES FOR A COMMON FLOOR PRICE, FOR A SYNTHETIC FUELS CONSORTIUM INTO WHICH MEMBERS OF THE INTERNATIONAL ENERGY AGENCY COULD BUY INTO EACH OTHERS NATIONAL PROGRAMS AND FOR A CONSORTIUM FOR LARGE SCALE POOLING OF NATIONAL RESEARCH AND DEVELOPMENT EFFORTS. NOW THESE PROPOSALS, I THINK IMPORTANT TO UNDERLINE, ARE IN NO WAY INCONSISTENT WITH THE DEVELOPMENT OF A REGIONAL ENERGY POLICY IN EUROPE.

UNCLASSIFIED

UNCLASSIFIED

PAGE 04 OECD P 03344 02 OF 03 071458Z

8. NOW THE SECOND OBJECTIVE OF THE PROPOSALS THAT SECRETARY KISSINGER MADE IS TO DEFINE A BASIS FOR REACHING A LONG-TERM RELATIONSHIP OF STABILITY WITH THE PRODUCERS. CLEARLY THE PRODUCERS MUST REALIZE THAT PRESENT PRICES AND THE PRESENT VULNERABILITY OF THE CONSUMERS ARE UNSUSTAINABLY HIGH. CLEARLY ALSO, THE CONSUMERS MUST ACCEPT THAT THE ERA OF \$2 AND \$3 OIL IS GONE FOREVER. CONSUMERS AS A GROUP WILL NOT INDEFINITELY PAY OPEC MORE FOR ENERGY THAN THEY PAY THEIR OWN ENERGY PRODUCERS. BUT WE HAVE AN OPPORTUNITY TO EXPLORE WHETHER THERE ISN'T AN EQUILIBRIUM PRICE,

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 OECD P 03344 03 OF 03 071513Z

50

ACTION EUR-12

INFO OCT-01 EA-10 IO-10 ISO-00 EB-07 USIE-00 PA-02 PRS-01

AEC-07 AID-05 CEA-01 CIAE-00 CIEP-02 COME-00 DODE-00

FEAE-00 FPC-01 H-02 INR-07 INT-05 L-02 NSAE-00 NSC-05

OMB-01 PM-03 RSC-01 SAM-01 OES-05 SP-02 SS-15 STR-04

TRSE-00 FRB-01 AF-06 ARA-10 NEA-09 EURE-00 OPIC-06

LAB-04 SIL-01 AECE-00 /149 W
----- 068602

P R 071429Z FEB 75
FM USMISSION OECD PARIS
TO SECSTATE WASH DC PRIORITY 5325
INFO AMEMBASSY ANKARA
AMEMBASSY ATHENS
AMEMBASSY BERN
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY CANBERRA
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY HELSINKI
AMEMBASSY LISBON
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY MADRID
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY REYKJAVIK
AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY TOKYO
AMEMBASSY VIENNA
AMEMBASSY WELLINGTON
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 OECD P 03344 03 OF 03 071513Z

USMISSION EC BRUSSELS
USMISSION NATO
USMISSION GENEVA
USMISSION USUN

UNCLAS SECTION 03 OF 03 OECD PARIS 03344

PRODUCERS AND CONSUMERS, WHICH IN RETURN FOR AN
ASSURANCE OF SUPPLY AND AN IMMEDIATE PRICE REDUCTION,
CONSUMERS MIGHT BE WILLING TO GUARANTEE A CERTAIN PRICE,
PERHAPS RELATED TO THE PRICE IN WHICH THEY BRING IN
THEIR OWN ENERGY RESOURCES FOR A CERTAIN TIME.

NOW PERHAPS I SHOULD COMMENT HERE ON THE WAY IN WHICH
THESE PROPOSALS ARE RELATED TO THE DEVELOPMENT OF THE
CONSUMER-PRODUCER DIALOGUE, BECAUSE I THINK THERE HAVE

BEEN SOME MISUNDERSTANDINGS IN THE PRESS HERE IN THE LAST FEW DAYS. AT MARTINIQUE THE TWO PRESIDENTS OF FRANCE AND THE UNITED STATES AGREED THAT THERE WOULD BE A FOUR PHASE SEQUENCE LEADING TO A PRODUCER-CONSUMER DIALOGUE. THAT FOUR PHASE SEQUENCE WAS FIRST DECIDED BY THE CONSUMERS ON FINANCIAL SOLIDARITY, ALTERNATIVE SUPPLIES, CONSERVATION. SECOND, A PRODUCER-CONSUMER MEETING, HELD IN A PREPARATORY MANNER WITH A SMALL GROUP IN ORDER TO DETERMINE AGENDA AND PROCEDURES. THIRDLY, THE INTENSIVE COORDINATION OF CONSUMER POSITIONS AND FOURTHLY, THE PRODUCER-CONSUMER CONFERENCE PROPER. NOW THE POSITION OF THE IEA COUNTRIES AS DECIDED IN THEIR MEETING IN DECEMBER WAS THAT THEY WOULD NOT GO TO A PREPARATORY MEETING OF A PRODUCER-CONSUMER CONFERENCE UNTIL THERE HAD BEEN SATISFACTORY PROGRESS ON FINANCIAL SOLIDARITY AND ALTERNATIVE SOURCES AND ON CONSERVATION, AND THAT REMAINS THEIR POSITION AND THE POSITION OF THE UNITED STATES.

10. WE HOPE THAT WITH THE INTRODUCTION OF THESE NEW PROPOSALS, MANY OF WHICH HAVE BEEN FORESHADOWED IN THE TECHNICAL WORK OF THE INTERNATIONAL ENERGY AGENCY, THAT IT WILL BE POSSIBLE NOW TO ACCELERATE THE PREPARATIONS
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 OECD P 03344 03 OF 03 071513Z

OF THE CONSUMING COUNTRIES AND THE DECISIONS THAT WE HAVE ALWAYS THOUGHT NECESSARY PRIOR TO THE PREPARATORY MEETING. OUR OBJECTIVE IS, AS IT ALWAYS HAS BEEN, TO HAVE THAT PREPARATORY MEETING IN MARCH, AND WE WILL BE WORKING TOWARDS THAT OBJECTIVE AS ARE OTHERS.

11. NOW THESE PROPOSALS THAT SECRETARY KISSINGER PUT FORWARD ARE NOT ADVANCED, AS SOME HAVE SUGGESTED, TO DELAY A PRODUCER-CONSUMER MEETING BUT REALLY TO MAKE IT POSSIBLE AND FRUITFUL. THEY ARE CERTAINLY NOT TO CONFRONT THE PRODUCERS OR THREATEN THEM BUT RATHER TO DEFINE A REALISTIC LONG-TERM BASIS FOR RELATIONS BETWEEN PRODUCERS AND CONSUMERS IN WHICH NEITHER ONE IS AT THE MERCY OF THE OTHER. IT IS CLEARLY ESSENTIAL TO DEFINE SUCH RELATIONSHIPS SINCE THE DESTINIES OF PRODUCERS AND CONSUMERS ARE INEXTRICABLY LINKED FROM NOW ON. BUT WE THINK ALSO THAT ONLY ON THIS BASIS OF CLEAR CONSUMER DECISIONS ON THE UNDERLYING MARKET FORCES CAN WE HOPE TO REACH AN EQUILIBRIUM WITH PRODUCERS.

WELL, THAT IS IN SUMMARY THE WAY WE LOOK AT IT. LET ME HEAR WHAT QUESTIONS YOU'VE GOT.

Q AND A FOLLOWS SEPTTEL.
TURNER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SPEECHES
Control Number: n/a
Copy: SINGLE
Draft Date: 07 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975OECDP03344
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750045-0836
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750262/aaaacdzh.tel
Line Count: 438
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 8
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 30 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 APR 2003 by MarshK0>; APPROVED <07 JAN 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: STATEMENT BY ASSISTANT SECRETARY ENDERS AT THE ANGLO-AMERICAN PRESS ASSOCIATION IN PARIS 6 FEBRUARY
TAGS: ENRG, OECD, ANGLO-AMERICAN PRESS ASSOCIATION, (ENDERS, THOMAS O)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006